APR

05

TUESDAY

"Bull-trap or reverse?"

6 PM CALL

Market today: Bull-trap or reverse?

(Tuan Huynh - Ext: 1318)

In recent two weeks, market has traded in a slight downward trend and VNIndex even dropped below the supportive level of 560. However, **with a strong support of VNM**, VNIndex today rallied over 560 pts. Consequently, many traders hope that there would be a suddenly positive news from VNM, which might be to **lift the FOL** in order to raise more interests of foreign investors.

Last Friday was the deadline for VNM's large shareholders to give their opinions on the **amendment on the business lines**, which was considered as an initial step for lifting foreigner's limitation. Our industry analyst informed that this amendment was the preparation for the FOL lifting plan as well as a divestment plan of SCIC. According to the announcement of SCIC in October 2015, VNM is one of ten companies to be divested. Therefore, although the result of the survey by a written opinion form has yet announced, he believes that the majority of shareholders would say yes to this plan. If this amendment comes into practice, VNM will probably submit the term of **FOL lifting to this year's AGM for endorsement** and the final step would be depended on **SCIC's divestment decision**. Notably, with the large ownership of 45%, SCIC is the holder having most power associated to agree and implement these plans.

VNM is one of SOEs having a stably effective operation so FOL lifting as well as government's divestment activity at VNM has attracted a lot of both on- and offshore investors. Therefore, whether today was just a technical rally or a turnaround session for the short-term trend, it will absolutely depend on next announcement of VNM. If this is a positive news, market's sentiment will obviously get better.

However, with extremely low traded value of today session, only VND1,400 billion, the probability of **bull-trap** in market is still high. Cash flows remained low, which means that most of investors still kept cautious with current market situation. Selling pressure is likely to be higher in tomorrow session to test the market's sentiment as well as the new demand of the market.

Contrary to excited trading sessions last week, the price movements in stocks of gravel enterprises stocks since the beginning this week have been somewhat less positive. Specifically, DHA closed at the floor price of VND24,200 in today's trading session. The DHA's representative made known that the sales of Thanh Phu mine was delayed in the first half of March due to the Ghenh bridge collapse (in Dong Nai). However, till now, the issue has been resolved and the consumption in this quarry is stable again. The two remaining mines of DHA, Tan Cang and Nui Gio, recorded an attractive growth in Q1/2016 with nearly doubled consumption volume over the same period last year. However, since Thanh Phu accounted for the major part of DHA revenue and profit, we estimate that pre-tax profit in Q1/2016 of DHA might reach only VND10.2 billion, a slight decrease of 7.6% compared to the same period last year. One notable information is that extraordinary profits from the transfer a portion of the processing area of Thanh Phu quarry will not be recognized immediately in Q1/2016 and might be recorded in the 2nd or 3th quarter instead although the firm has received a part of transfer value from its partner.

We believe that the factor causing less positive Q1/2016 earnings should only be temporary and will hardly affect DHA's business in the remaining quarters of 2016. In the meantime, the flourish of construction activities and real estate market will continue to be the main growth driven factors of gravel manufacturing enterprises such as DHA

Analyst Pin-board

SVC – Tough challenge to achieve impressive growth rate

(Van Banh- Ext: 1316)

If you are interested in this content, please click here to view more detail.

Recommendations:

The market recovered slightly on below average liquidity. The current trend is still down and both two indexes may find their lower troughs. Trader should lower the stock/cash ratio and wait for a few sessions.

PORTFOLIO RECOMMENDED BY TECHNICAL ANALYSIS

Ticker	Price	Action	Buying date	Buying Price	Target Price 1	Target Price 2	Cut loss Price	Selling Date	Selling Price	Gain/ Loose	Duration
ITD	20.5	**Hold**	11/03/2016	18.7	22.0		17			11.76%	Intermediate
BCC	15.4	**Hold**	22/01/2016	13.7	15.0		12.5			12.41%	Intermediate
DNP	34.6	**Hold**	11/01/2016	20.0	24.0		18			73.00%	Intermediate
LHC	49.9	**Hold**	21/08/2015	40.5	49.0		37			23.21%	Long

Notes:

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cutloss Price or Closing Price at Selling date depending on specific cases.
- **Target Price 2** will be updated when the stock passes Target Price 1.
- In the ex-rights date, the prices will also be adjusted accordingly
- Duration: **Short-term** is less than 01 month; **Intermediate-term** is from 01 to 03 months; **Long-term** is more than 03 months.

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
PTI – Impressive growth	March 08th, 2016	Accumulate – Long-term	28,500
SVC - Profit driver switches from automobile to services segment	February 22nd, 2016	Accumulate – Long-term	41,800
HPG- An attractive price for the leading firm	January 15th, 2016	Buy – Long term	39,700
HAH - Effective performance is being undervalued	January 08th, 2016	Buy – Intermediate term	56,000
ELC- A new growth cycle	December 3rd, 2015	Buy – Long term	33,000

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

FUND CERTIFICATION INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VF1	1/3/2016	0.2% - 1%	0.5%-1.5%	23,589	23,480	0.46%
VF4	1/3/2016	0.2% - 1%	0%-1.5%	10,692	10,624	0.64%
VFA	25/02/2016	0.2% - 1%	0%-1.5%	6,758	6,662	1.44%
VFB	25/02/2016	0.3% - 0.6%	0%-1%	12,795	12,755	0.31%
ENF	25/02/2016	0% - 3%	0%	11,966	11,924	0.35%
MBVF	25/02/2016	1%	0%-1%	10,782	10,730	0.48%
MBBF	17/02/2016	0%-0.5%	0%-1%	12,504	12,489	0.12%
VF1	1/3/2016	0.2% - 1%	0.5%-1.5%	23,589	23,480	0.46%
VF4	1/3/2016	0.2% - 1%	0%-1.5%	10,692	10,624	0.64%

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